



MPRL E&P Pte Ltd.



Communication on Progress

February 2019 - February 2020



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Information on the Report



Since February 2016, MPRL E&P has been a signatory member of the United Nations Global Compact. Since then, the company has submitted three Communication on Progress (CoP) reports from February 2017- 2019. This document consists of MPRL E&P's fourth CoP report which communicates the organization's business operations and strategies which align with the UNGC's Ten Principles covering human rights, labour, the environment and anti-corruption. The data and information in this report was collected bi-annually and combined into this document which acts as our annual CoP submission to show our continued support and commitment towards the United Nations Global Compact.





Statement of Commitment by the Chief Executive



MPRL E&P is an energy company involved in exploring, and producing, oil and gas in Myanmar. Founded in 1996, MPRL E&P's asset portfolio in Myanmar consists of three assets located in the onshore region, and three assets in the offshore region. MPRL E&P remains committed towards improving livelihoods by being at the forefront of providing energy to drive progress in Myanmar. The corporate culture at MPRL E&P is influenced by our commitment to uphold ethical and

responsible business practices. We believe in developing a culture that promotes honesty and integrity with a strong sense of focus on results-based performance, encouraging employee development, and promoting sustainable development across the company's activities through dialogue and engagement.

At MPRL E&P we conduct business with the highest standards of ethics, legitimacy and transparency, guided by a clear sense of social and environmental responsibility. Our company is committed to addressing sustainability in a variety of fields including social and environmental issues. Therefore, we aim to ensure that our corporate social responsibility (CSR) initiatives are strategic from a medium to long-term perspective.

We believe the growth of our organization is dependent on the empowerment of our employees. We strive to develop a thriving environment, ensuring employees become involved in a process of continuous improvement. Our understanding and practice of ethical behavior towards our stakeholders is reflected in our Code of Conduct which applies to every employee in the company, and offers guidance for our decisions and expectations involving professional behavior.

I am proud that MPRL E&P became a signatory of the United Nations Global Compact in February 2016 whereby the Ten Principles of the compact have since been incorporated in our core management systems and policies. In each focus area -- human rights, labor, the environment, and anti-corruption -- the Ten Principles reinforce the foundations of our organization, which are communicated to relevant stakeholders through awareness and capacity development initiatives, and are monitored as a part of our compliance framework. In addition, I am also pleased to indicate our commitment and support towards the 17 United Nations Sustainable Development Goals by aligning our strategies and initiatives with these goals where applicable.

To reaffirm and renew our support to the United Nations Global Compact, we submit our fourth CoP report for the period covering the Myanmar financial year of 2019-2020, which portrays:

- Our actions to further implement the United Nations Global Compact and its Ten Principles into our business strategy, culture, and operations.
- Our efforts to continually improve the integration of the United Nations Global Compact and its Ten Principles.
- Our performance outcomes reflecting our commitments thereafter being a signatory to the United Nations Global Compact and its Ten Principles.

In this report we detail of the actions we are taking to operate safely, to respect the environment and to work closely with communities. We continue to showcase our commitment by sharing information indicated in our fourth CoP with all of our stakeholders by using our primary channels of communication.

U Moe Myint
Chief Executive Officer





1. Human Rights

United Nations Global Compact Principle 1

Businesses should support and respect the protection of internationally proclaimed human rights.

United Nations Global Compact Principle 2

Businesses should ensure that they are not complicit in human rights abuses.





1.0 Our Human Rights Policy

MPRL E&P conducts business operations with the highest standards of ethics respecting and protecting internationally recognized human rights during the process. We endeavor to protect and promote human rights by coordinating with all stakeholder within our sphere of influence.

Human rights abuses are not tolerated nor encouraged in all projects undertaken by the company. Our human rights policy is applicable to all our operations and acknowledges both the rights of local communities in areas where we work and our employees.

Concerning local community rights, MPRL E&P strongly encourages employees, contractors, non-governmental organizations, and governmental bodies to address the rights of communities surrounding our operations through active engagement and dialogue. We conduct public consultation exercises focused on our local communities and also undertake needs assessments to identify the needs and concerns of the community which then enable us to identify and develop approaches to effectively, and proactively, address such needs and concerns. MPRL E&P recognizes and respects the culture and rights of indigenous peoples and endeavors to promote the practice of their traditions and customs. MPRL E&P also recognizes communities' rights to fulfill community duties essential to free and full development, highlighting our commitment towards promoting community empowerment and improvement through sustainable development.

With regard to employee rights, MPRL E&P commits to the following:

- Providing a safe, secure, and worker-friendly environment
- To be an equal-opportunity employer
- To positively stimulate professional and personal growth of our employees through the promotion of creativity and teamwork
- Not using any forced or compulsory labor
- Not to discriminate persons based on race, religion, gender, age, sexual orientation, nationality, or ethnicity
- Allowing employees to have a right to join trade unions where such rights are recognized by law





MPRL E&P is dedicated to respecting human rights issues through internal controls relating to contracts, the environment, ethical conduct, human resources, security, and social performance -- understanding that we should provide, or assist in providing, remedies for human rights impacts resulting from our activities. We require our operations to take a multi-stakeholder approach to establishing operational grievance mechanisms to facilitate resolutions of any grievances.

We commit ourselves to promote a sense of human rights by getting all stakeholders involved in our business operations. We regard ourselves to be respectful towards the communities, security, labor rights and supply chain conditions.

1.1 Management Framework and Approach

Our commitment towards human rights is reflected in the following areas of our management framework and approach:

1. Public consultation
2. Operational grievance mechanism
3. Community-based volunteers and village development committees
4. Strategic community investment
5. Monitoring and evaluation





1.1.1 Public Consultation

There are a number of stakeholders that should be consulted during any onshore or offshore projects. MPRL E&P engages with diverse groups ranging from small to large landowners, fisherman, and farmers. We believe consultation is important in establishing effective communication and partnerships. Our approach to consultation is transparent, inclusive, and culturally appropriate.

Prior to initiating consultation activities, MPRL E&P takes the following into consideration:

- Community decision-making conventions and protocols
- Accessibility to information including information relating to impacts and mitigation measures
- Capturing the needs of all groups including those that are marginalized or vulnerable

MPRL E&P’s consultation activities include the following:

- Information disclosure
- Community-led participatory engagement
- Development of strategic partnerships

In the fiscal year 2019-2020, MPRL E&P’s key public consultation initiatives consisted of the following:

1. Community needs assessment
2. Operational Grievance Mechanism awareness raising campaign 2019
3. Materiality Assessment





MPRL E&P strongly believes in listening to the voices of the local community impacted by daily business operations. Community meetings were hosted in May 2019 and January 2020 at Mann Field where the village administration, development committees and community volunteers came together to discuss issues in a friendly and open manner, and develop solutions and prioritize next steps. The community meeting also provided MPRL E&P's Senior Management with an opportunity to communicate its CSR efforts to the company's key stakeholders.





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Site Visit of Senior Management and Executives to Mushroom Model Farming Project and Tomatoes Plantation





1.1.2 Operational Grievance Mechanism

MPRL E&P acknowledges the importance of engagement and buy-in from all its stakeholders. Disclosing information and providing platforms to promote 2-way communications are important factors to building a partnership.

MPRL E&P believes:

- An effective feedback mechanism is a safe and proactive process that receives complaints and/or concerns associated with the company's operations.
- Stakeholders are provided with a constructive opportunity to develop a partnership with MPRL E&P by working together to minimize risk and address concerns.
- Concerns received can be resolved in a timely manner with all primary stakeholders within a confidential space.
- The views of each complainant are respected and not discriminated.

MPRL E&P has developed a multi-stakeholder approach to designing an Operational Grievance Mechanism (OGM) in Mann Field. This is the very first mechanism in Myanmar that has been facilitated and managed by MPRL E&P, the host local communities, and Myanma Oil and

Gas Enterprise (MOGE) -- the state-owned enterprise involved in the oil and gas sector of Myanmar. Best practices from the Mann field OGM is intended to be leveraged and used, where applicable, across assets operated by MPRL E&P.

The objective of the Mann field OGM is to enable local communities to have a voice and to ensure that impact associated with operations affecting the environment and surrounding communities are solicited, monitored, and effectively addressed.

MPRL E&P considers our OGM to be essential in order to maintain a social license to operate in Mann field. The mechanism enables stakeholders to voice their concerns directly to the company first, instead of turning to third parties, and enables the company to respond to their concerns early before they escalate.

Designing a mechanism facilitated by community volunteers has proven to be successful as trust is immediately gained. In addition, strengthening the capacity of volunteers has led to improved decision making and empowerment.





Operational Grievance Mechanism Awareness Raising Campaign



MPRL E&P has been organizing OGM awareness raising campaigns for four consecutive years, since 2016. Before the OGM awareness raising campaign began, MPRL E&P had conducted Knowledge, Attitude and Practice (KAP) surveys to determine the awareness levels concerning OGM -- to explore the satisfaction level of complainants, and to identify required procedural improvements. The campaign design was created based on the KAP survey results. The CSR team always keeps awareness actionable and strives to achieve the underlying goal of this awareness campaign: improved engagement between MOGE, MPRL E&P and the 14 surrounding communities at Mann Oil Field.





Operational Grievance Mechanism Awareness Raising Campaign as part of CSR Open Day at Mann Field

In November, this year, CSR and MPRL E&P's Communications Department organized its first CSR Open Day, in conjunction with the OGM Awareness Raising Campaign. The event hosted musical performances with an OGM theme song for school children from Mann Field's surrounding Communities, a CSR exhibition and a showcase of vocational trainees' products.

During the OGM Awareness Raising Campaign, groups of school children from 11 schools competed in song and dance contests ; one of the songs was "Advise, Discuss and Cultivate the future generations".

Over 1,800 local people and students were in attendance, with students from 11 basic education high schools participating in the contests.



MPRL E&P launched its OGM in 2016, with the aim of building mutual trust and cooperation between the company and local communities.

Despite awareness campaigns, there may be some people who do not know about an OGM or its relevance to them. In this case, community leaders also help to publicize the OGM and act as referral points. Designing a mechanism facilitated by community volunteers has proven to be successful as trust is immediately gained. In addition, strengthening the capacity of volunteers has led to improved decision making and empowerment.





Operational Grievance Mechanism Progress Highlights



1.1.3 Strategic Community Investment

MPRL E&P is committed to addressing business risks and balancing community needs through long-term investment activities that provide value and meaningful impact to the business and community. Our investment focuses on projects that address the impacts of our activities as well as development issues within surrounding communities delivering lasting social, economic, and environmental returns for both host communities and business.

To achieve this objective, MPRL E&P will:

1. Support community investment projects that meet the needs of the host community and address primary business risks and impacts.
2. Engage with all stakeholders to ensure sufficient data is collected and potential investment options are identified and confirmed with the community and business partners involved.





3. Comply with all applicable laws, regulations, standards, or where internal policies require a higher standard, will comply with such higher standards.
4. Apply monitoring and evaluation frameworks to track progress and report performance, and in particular, impact of investments.
5. Use standardized tools and guidelines to measure performance and communicate progress and challenges associated with investment projects.

MPRL E&P's strategic community investment framework involves community capacity-building initiatives and community investment project initiatives. Our community investment initiatives aim to engage with, and support, local communities where we operate. We do this through:

- Conducting community needs assessments prior to implementing Community Investment and CSR Initiatives
- Investing in sustainable livelihoods (education, capacity development, and vocational training)
- Improving well-being (improve access to water, sanitation, hygiene, health, and safety culture)
- Partnerships with local groups and encourage communities to get the sense of ownership by having them contribute towards CSR Activities.

During the fiscal year 2018-2019, MPRL E&P has implemented a total of 18 Community Investment projects and Community Empowerment as per the Sustainable Development Goals No (3),(4), (6), (8), (9), (10), (11) which cover the following areas:

- Education Partnership for community youths of the Mann Field
- Water, Health, and Sanitation (WASH)
- Community Livelihood Development
- Community Healthcare Program





1.1.4 Community Based Volunteers and Village Development Committees



MPRL E&P's approach towards sustainable development and social management involves empowering local communities to be actively involved. We have developed and use a community volunteer framework in Mann field whereby a volunteer from each community is recruited to act as the main liaison between the company and their respective community. The term of a community volunteer is one year whereby such community volunteers are given fit-for-purpose training with regard to communication, community mobilization, and project management skills. They are also provided with incentives for volunteering their time and efforts towards the betterment of their respective communities.

Fourteen community volunteers are appointed on an annual basis from the communities surrounding Mann field. They all work closely through the guidance and facilitation of MPRL E&P which has





resulted in the formation of a partnership and the strengthening of a robust relationship between the local communities and the company. Community volunteers are actively involved in executing community-based projects and are also responsible to encourage further community participation, decision-making and ownership.

Community Investments

MPRL E&P is able to identify key areas to focus on community investment projects based on significant needs that are identified during our annual needs assessments. Such needs are carefully assessed to ensure that they are essential needs (must-haves) as opposed to non-essential needs (nice-to-haves). A key to our assessment is to also ascertain that there are no clear alternatives for local communities to address the 'must-have' needs. In our needs assessments, it is also important to identify and address essential needs that are shared, or common, among all 14 communities around Mann Field. Careful screening, selection, and execution of community investment projects are imperative to ensure that MPRL E&P is simply not providing 'free handouts' which would be counterproductive towards our social management objectives.

MPRL E&P pursues community investment projects that require that the community also provide a contribution towards such initiatives so that a strong sense of ownership and empowerment is also created. Such contributions range from involving local stakeholders in the early decision-making process, having local stakeholders make a small financial contribution towards such community investment projects, and also having local stakeholders actively involved during the execution and on-going management processes of such community investment projects.

During the fiscal year 2019-2020, 18 community investment initiatives have been implemented.





School furniture support





Education Partnership with No.(5) Industrial Training Centre, Magwe



Water Collection Tanks

Agricultural Knowledge Sharing in collaboration with Department of Agriculture (DoA) Minbu on GAP, Crop Damage Prevention, and Good Seeds





Ready-to-Eat Value Added Food Making Training



Horticulture Training in Collaboration with the East-West Seeds





Start and Improve Your Business (SIYB) Training



Professional Soap Making Training





Small-Scale Commercial Mushroom Cultivation



Refresher Course on Fabric Bag Making





Education Partnership for the Local Youth

As a new CSR Initiative for investing in the talent of the local youth this year, MPRL E&P launched an educational partnership program with No. (5) Industrial Training Centre Magway and enrolled three qualified students from Mann Field in automobile maintenance, and CAD/CAM courses. For the 11-month training period, MPRL E&P covered the enrollment fees, and monthly stipends are also delivered to the students to enable them to pursue their education without any financial burdens.



Water, Sanitation, and Hygiene (WASH) in Schools



During 2018-2019, WASH initiatives were setup to keep school environments clean, and inhibit the transmission of harmful bacteria, viruses, and parasites -- 12 hand washing stations at schools in Mann Field were installed and MPRL E&P's Field CSR team also conducted training on 'Wash and Learn' Program for the school children. As a follow-up to WASH, MPRL E&P's CSR team conducted hand wash practice survey at schools in Mann Field in 2019-2020, with the aim of observing handwashing practices of schools with the support of community volunteers and school teachers.





Community Livelihood Development

Improving Agricultural Productivity and Rural Livelihoods Program

MPRL E&P is committed to supporting rural communities' livelihoods through increased agricultural and livestock production, improving household food security, alleviating poverty through better market participation as well as improving farmers' access to resources, technologies, information and markets by characterizing and strengthening crop and livestock value chains.

With the aim of improving the quality of life through sustainable agriculture, MPRL E&P organized a series of agricultural knowledge sharing sessions for Mann Field farming communities in collaboration with the Department of Agriculture, Minbu Township. Knowledge on agricultural production using the GAP system, systematic use of soil, chemical fertilizers, natural fertilizers and pesticides, selecting region-suited seeds, and good agricultural practices were shared and discussed between experts and community members. Besides, a site visit to demonstration farms on the Good Agricultural Practices (GAP) for Mann Field farming communities was also organized to link the agricultural theoretical knowledge with the practical one.

Following the 2-day horticulture training which focused on how to grow tomatoes and chilies by applying modern methods for optimum crop yield; tomato and chili seeds



were distributed to a total of 30 farmers from Kyar Kan and Auk Kyaung Villages. There were also discussions with Village Administrators, Village Development Committees, and Community Volunteers for the upcoming sunflower and chick-pea seed plans.





Vocational Empowerment for the Locals

MPRL E&P is committed towards improving the life of the Mann Field community and helping locals achieve self-reliance through vocational trainings. In addition, regular follow-up and support activities ensure the goal is achieved. MPRL E&P organized 6 vocational trainings for locals in Mann Field to support and increase livelihoods for their communities.

The first vocational training, 'Value-added Food Making' in collaboration with the Small-Scale Industries Department (Magway Region) for the fiscal year 2019-2020, was conducted over five days in July by two experienced trainers with the aim of supporting local SME development programs in Mann Field.

With the goal of improving small-business management skills for women, vocational trainees learned soap-making, bag-making and value-added food-making skills as part of the 'Start and Improve Your Business (SIYB) Training'; the second vocational empowerment – a total of 18 participants attended.

The third vocational training, a two-day 'Horticulture Training Program', was also organized in July for farming communities in Mann Field, with support from a certified technician from the East-West Seeds Company – 41 trainees attended. During the training, systematic and modern methods were introduced to improve the crop yield of tomatoes and chilies.



1st Vocational Training on 'Ready to Eat Value Added Food Making'



2nd Vocational Training on 'Horticulture'



3rd Vocational Training on 'Start and Improve Your Business (SIYB)'





4th Vocational Training on 'Professional Soap Making'



5th Vocational Training on 'Small Scale Commercial Mushroom Cultivation'



6th Vocational Training on 'Refresher Course on Fabric Bag Making'

In August, three vocational trainees from Mann Field Communities attended the fourth vocational training, a '2-day Intensive Professional Soap Making' program led by Charcoal Natural Handmade Soap. This hands-on training for cold-processed soap-making allowed trainees to enhance their soap-making skills and produce better-quality products that are environmentally friendly. Subsequently, the fifth vocational training for Mann Field Communities was a '5-day Training for Small Scale Commercial Mushroom Cultivation' conducted in August, and as a follow-up to the mushroom cultivation mode, specifically for locals who want to commercialize mushroom cultivation.

The sixth vocational training was conducted in November on the 'Refresher Course on Fabric Bag Making' and setup by the Young Women Christian Association (YWCA) for improving sewing skills – 20 trainees joined.

Mushroom Model Farm Project

The project aims to allow interested communities to observe the full mushroom model farm for their own cultivation. There are three types of mushrooms: straw mushrooms, pearl oyster mushrooms, cloud ear fungi cultivated in Chin Taung village.





Community Health Care Program



Since September 2018, MPRL E&P has piloted a mobile clinic program with the aim of providing underprivileged peoples with zero-cost quality health-care, and health education. The clinic initially launched at three locations in surrounding villages of Mann Oil Field. MPRL E&P's Field Camp Doctors, village administration, community volunteers and CSR Team put in a lot of coordinated effort to make this initiative successful and the program was made possible with the support of MPRL E&P's CSR program. In June 2019, the mobile health care program was extended to Kyar Kan village, which became the



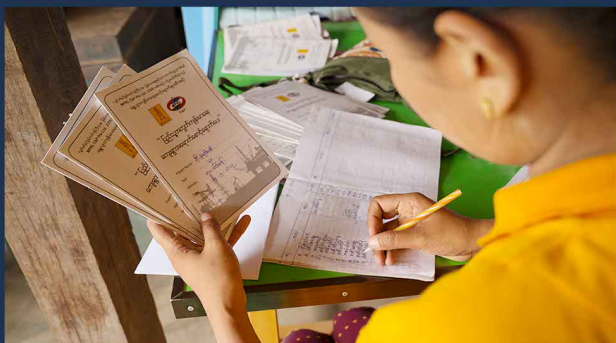
fourth location for the Mobile Clinic. As an extended community healthcare service, the Field Camp Doctors also made home visits for the elderly in communities. Since its launch, MPRL E&P's mobile clinic has received a total of 8,783 visits.





Visit of Senior Management and Executives to Mobile Clinic

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Community-led Waste Management Program

A sustainable solution is in dire need for managing waste in Mann Field. A trial phase of community-led waste management project kicked off on January 1, 2019, with the support of MPRL E&P's CSR Program. A total of 371 volunteers – comprising of community members from 8 communities, Trash Hero Minbu, and MPRL E&P's community volunteers, CSR, and Field Operations Teams – volunteered their time to take part in a major clean-up effort at Mann Field from January 8 to 13, 2019. This clean-up event, organized by MPRL E&P CSR Program, yielded a massive trash haul of roughly 465 tons, using a backhoe loader, a bulldozer, 3 dump/tipper trucks, and a cargo tricycle. 262 tons of waste were transported to the landfill in Minbu, and 203 tons of waste had been transported to the landfill near Nan U and Auk Kyaung villages. A cargo tricycle is now





available in the one-village-a-day schedule for garbage collection, and communities can properly dispose of their waste. We hope the communities learn the importance of disposing waste responsibly and take care of their environment.

As part of the community-led waste management program, a three-wheeled cargo bike has been provided to Mann Field communities in order to rollout a full-scale waste collection system outside the Minbu Municipal Area to help develop a proper waste-management system – collecting waste and sending it to the landfill site on a regular basis. Monthly collected waste is measured and recorded for monitoring purposes. Moreover, the Field Team of MPRL E&P's CSR department and community volun-

teers facilitated the bi-monthly trash collecting activities, too.

Accompanying this is environmental awareness activities initiated by the CSR Field Staff in community schools and households in Mann Field in order to increase awareness on proper waste-management (reducing plastic waste and tree plantations that will promote environmental health and scenery). In September, a 'Clean Village Campaign' plan was assessed by local government officials, and the campaign was launched in 8 communities in Mann Field and 'the Cleanest Village' was awarded with the prize of 500,000 Myanmar Kyats.





Meet and Greet of Trash Hero Myanmar Country Coordinator with Trash Hero Minbu in the Communities surrounding Mann Oil Field



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Capacity Building for Village Development Committees

One of the key objectives of the Village Development Committees (VDCs) is to assist and monitor community investment activities in order to have sustainable long-term impacts. The VDCs are responsible not only for being able to identify problems in the village, but also to create an environment where the community feels confident raising problems or concerns with committee members. To facilitate and empower the VDCs to carry out their responsibilities in an effective manner, there is a need to build the capacity of committee members. MPRL E&P has drawn a capacity building plan for VDCs for Fiscal Year 2019-2020. A series of knowledge sharing sessions on “Coaching Community-based Organizations and Social Mobilization” for Village Development Committees and Village Administration, while the community volunteers took part in the monthly mentoring sessions and public speaking training. The capacity-building activities intend to enhance the trainees and ensure effective implementation of the Community Investment Projects in Mann Field.



14

Information Session



272

Training Man-hour



199

No. of Community-based
Volunteers and Village
Development Committees





the Compliance Team met with Village Administrators, Village Development Committees and Community Volunteers from the 14 communities. They also had personal interviews with the community members and assessed the satisfactory level on the CSR Initiatives and Operational Grievance Mechanism (OGM) implemented in Mann Field.

A documentary on 'Energy Challenges and the Future of Natural Gas in Myanmar' was produced and posted on MPRL E&P's social media pages to promote public awareness on the energy sector and the role natural gas will play in future.

In an effort to initiate a sustainability reporting practice in line with international standards, MPRL E&P has commissioned the ELEVATE, a sustainability service provider from Singapore, to conduct a stakeholder engagement and a materiality assessment to determine which Environmental, Social and Governance (ESG) topics are most relevant. A number of calls and meetings were conducted by ELEVATE with selected key stakeholders in order to gather further information on the materiality of ESG topics to MPRL E&P. The stakeholders were selected because they were both material to MPRL E&P and they represented a portion of MPRL E&P's stakeholder group.





Knowledge-Sharing Sessions for MOGE Managers and Assistant Managers from all Onshore Operating Fields



MPRL E&P's CSR & Communications Team organized knowledge-sharing sessions on 'Corporate Social Responsibility' for MOGE Managers and Assistant Managers from all onshore operating fields for a second time in Mann Field. The two-day knowledge sharing program consisted of presentations, group exercises and site visits. The topics covered during the training are 'The Concept of Performance Compensation Contract (PCC)', 'Corporate Social Responsibility (CSR)', 'Strategic Community Investment', 'Operational Grievance Mechanism (OGM)', 'The Importance of Stakeholder Engagement',

'Addressing Community Needs', 'Reporting on CSR', and 'Monitoring and Evaluating the success of CSR'. A total of 36 participants joined the training.

During the same month, the MPRL E&P's CSR team also conducted knowledge-sharing sessions to the staff of Ngwe Saung Yatch Club and Resort (NSYC), which is one of the Group of Companies of MPRL E&P. A total of 193 staff joined the training.





2. Labour

United Nations Global Compact Principle 3

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

United Nations Global Compact Principle 4

Businesses should uphold the elimination of all forms of forced and compulsory labor

United Nations Global Compact Principle 5

Businesses should uphold the effective abolition of child labor

United Nations Global Compact Principle 6

Businesses should uphold the elimination of discrimination in respect of employment and occupation





2.0 Our People Strategy

Employees at MPRL E&P are its greatest asset, and investing in local talent is vital for MPRL E&P's growth and success. We strengthen our business through the development of skills and knowledge within our workforce, particularly with local capacity within Myanmar, ensuring long-term sustainability.

Capability development is continuously provided to foster our people's skills and advancement. Employee engagement is key in providing a satisfying work environment and maintaining good relationships with our staff, as well as being a factor in attracting new talent to MPRL E&P.

Our strategy includes the following elements:

- Recognition – identifying and promoting talent from within where possible.
- Transparent communications – encouraging a transparent performance appraisal and rewards process that is clearly communicated and an open door policy to encourage open communications.
- Capacity development – encouraging staff training opportunities across relevant fields.

At MPRL E&P, the success of our people is a measure of the success of our business. We believe in creating an environment that encourages employees to continuously learn by themselves, from each other, and by mentoring relationships.

2.1 Management Framework and Approach

Being trained to work, and then working, in safe, healthy and environmentally responsible ways come first and foremost. Beyond that, MPRL E&P believes in enabling employees to develop to the extent of their abilities. We improve our skills and competencies by regular performance reviews, recognizing potential, undertaking education, training and coaching as appropriate, and offering professional development opportunities. MPRL E&P's Code of Conduct establishes sound conditions of work and disciplinary procedures and implements equitable and transparent remuneration and incentive systems.





We require safe and effective working relationships at all levels. We treat each other, and those we deal with externally, with dignity, fairness and respect, and also safeguard against harassment in the workplace.

2.1.1 Employee Engagement

We strive to build partnerships with people we work with. Our values unite us and guide our development and commitment to fostering innovation and establishing honesty and integrity. Our values shape who we are as a company and influences how we conduct business.



MPRL E&P also makes sure that the staff at all levels can have open and transparent discussion with Senior Management, where they can build mutual trust and understanding. That is why Town Hall Meetings, where two-way communications between staff at all levels and Senior Management and Executives, were held both at Yangon Office and Mann Oil Field Operations Office. The main objectives of holding a Town Hall Meeting is to raise the questions by employees about the matters that needs explanations and input by Senior Management.

During the year 2019-2020, MPRL E&P held two Town Hall Meetings at Mann Oil Field Operations Office where employees ask questions related to company vision, strategies, up to date information and personal development to Senior Management.





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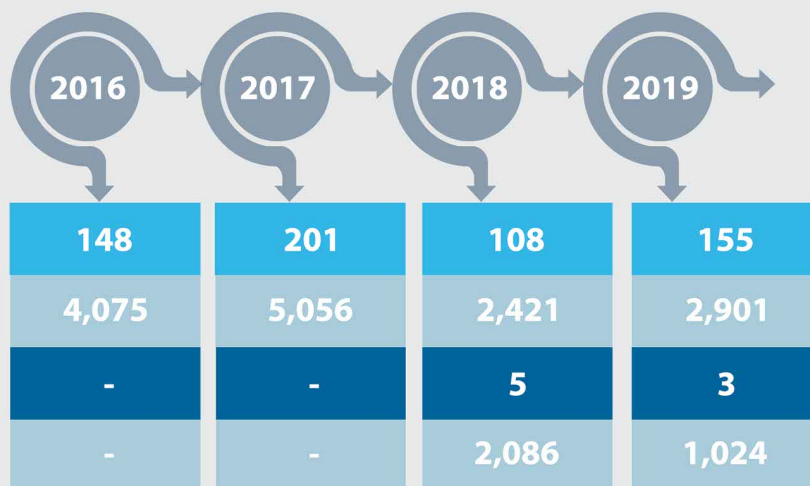
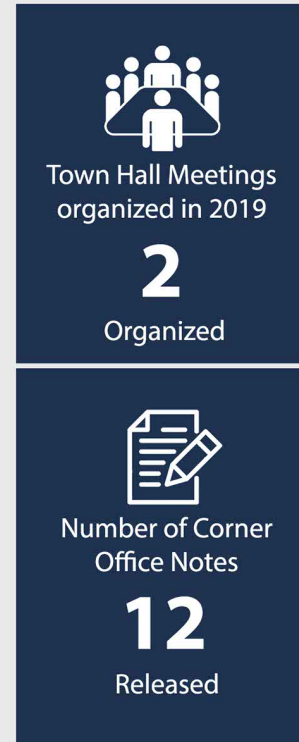


Corner Office Note

Another effective communication tool is the “Corner Office Note”, which is a document sent by a member of our leadership team on the first day of every month to all staff in the company. The Corner Office Note provides all staff an overview of key achievements and highlights of the previous month so that staff across departments and assets are aware of the ‘big picture’ and are able to better collectively deliver on results. The message cascades down to all staff and feedback is also actively solicited back from staff all the way up to leadership.

Engaging Employees in Knowledge Sharing

MPRL E&P always takes into account the proper internal communications to internal staff within company to form, reinforce and disseminate the knowledge of respective functions of different departments for both technical and business support units. Most of the training topics cover the topics of Environment, Compliance, HSE and CSR programs.



During 2019, MPRL E&P arranged 131 internal knowledge-sharing sessions for internal staff. Apart from internal knowledge sharing sessions, MPRL E&P published quarterly Insight! Newsletter which is used as one of the main internal communications tools within company.



Internal Knowledge Sharing Session



Training Man-hour



Corporate Training



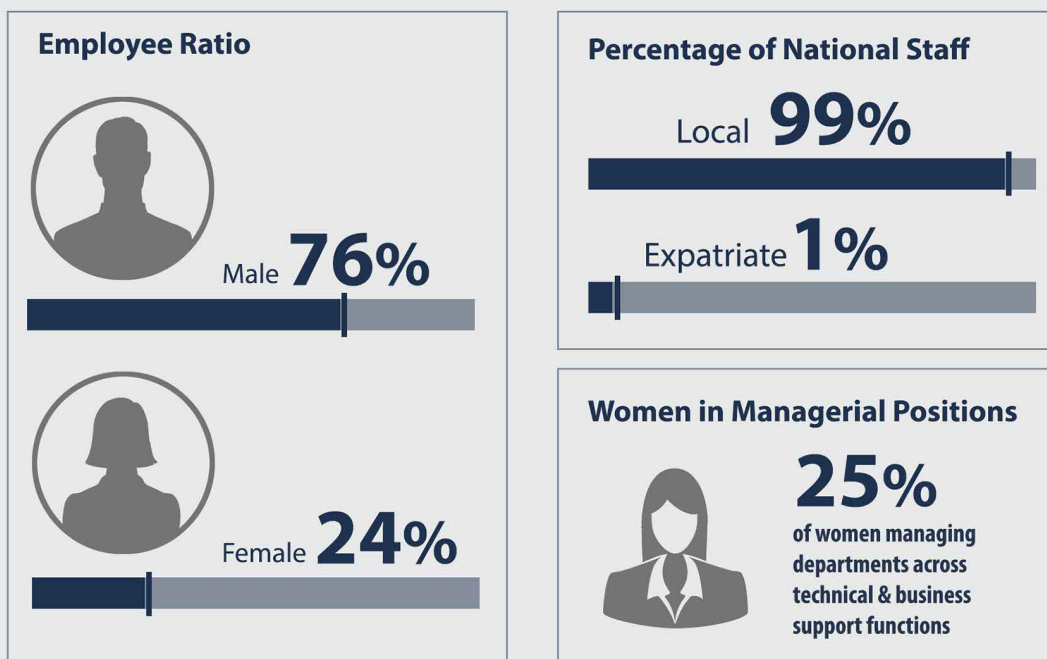


Respecting Labor Laws prescribed by the Ministry of Labor

An employment contract is a formal and legal agreement between two parties: the employer and the employee. It is designed to give both parties security and protection. Starting from January 2020, MPRL E&P renewed all of its employment contracts till December 2022 according to the new labor directive by the Ministry of Labor. At MPRL E&P, direct employees – apart from casual ones – sign an employment contract which is aligned with the prevailing national labor laws and regulations. The employment contract is regularly renewed every two years required by existing labor laws.

2.1.2 Workforce Diversity

As MPRL E&P is Myanmar national led Oil and Gas Exploration and Production Company, 99% of the workforce are national staff with various skills levels and experiences. We offer the job opportunities for talented Myanmar nationals, and the result is that they become driven professionals, which will make a good team that has global visions of oil and gas industry.







Internship Program



MPRL E&P nurtures the future of young generations in the field of science, technology and engineering. The hands-on experience has helped the students gain a better understanding of how field equipment and processes work, of the importance of safety, and of communications to management. Students were provided with a chance to interact with experienced professionals and learn from best practice both in Field Operations Office and Yangon Office of the company.





2.1.3 Learning Club Program and Business English Program



Starting from 2019, MPRL E&P initiated the very first “Learning Club” program, which is a learning and sharing environment among the employees led by well-experienced senior staff and popular motivational speakers on a quarterly basis. Employees at MPRL E&P can learn and be inspired through the informative talks in the form of edutainment during the learning club program and exchange views and ideas on discussed topics with the speakers and co-workers.

Moreover, the Business English Program for staff who want to learn English was also organized with the aim of enhancing fluency.





3. Environment

United Nations Global Compact Principle 7

Businesses should support a precautionary approach to environmental challenges

United Nations Global Compact Principle 8

Businesses should undertake initiatives to promote greater environmental responsibility

United Nations Global Compact Principle 9

Businesses should encourage the development and diffusion of environmentally friendly technologies





3.0 Our Environmental Policy

MPRL E&P is committed to demonstrating an appropriate and sincere respect for the environment, particularly for the prevention of any accidental loss of resources or assets likely to have an impact on the environment, company employees and communities located in the areas where we operate.

As a result, the following commitments influence our environmental strategy:

- Protect the environment in the communities where we work and live
- Strive to prevent pollution, and seek improvement with respect to emissions, wastewater discharge, energy consumption, resource consumption and reduction of impact to the environment.
- Monitor the effects of our activities on the environment and take action to address such effects where necessary.
- Openly communicate our environmental performance with our workforce, government and the host community through a variety of engagement methods that includes, but is not limited to, coordination meetings, disclosure workshops, and performance reviews.
- Comply with both national legislation and industry best practices such as the UN Global Compact on environment, and in particular, the seventh, eighth, and ninth principles of the compact.
- Foster a culture that empowers and rewards everyone to act in accordance with this policy.

MPRL E&P ensures active participation in achieving its goals and commitments by all employees and managers regardless of corporate hierarchy, contractor, and/or suppliers who individually and collectively are responsible for performance across the business value chain.

Responsibilities for environmental performance are visible throughout the organization, with clarity for line management accountability. The HSE Department and its working group are committed to embed a responsible culture instilling environmental best practices, develop management plans to monitor impacts, and minimize any adverse impacts from our operation.





3.1 Management Framework and Approach

MPRL E&P is committed to protecting the environment and respecting our neighborhoods to minimizing any adverse effects from our operations. Endorsing ISO 14001 in our management system and implementation of the internal policy in compliance with prevailing national laws and regulations, encourages MPRL E&P to achieve our commitment on protecting the environment where we work. The three environmental principles guided by the UN Global Compact are also embedded in our commitment. Committed to undertaking periodic impact assessments, analysis, audits and a monitoring system complying with international standards and guidance is not only for good results but also for better practices and performances. We ensure both positive and negative results are openly communicated through proper methods including coordination meetings, disclosure workshops, focused group discussions and public consultations.

We focus on enabling business operations to be improved in an environmentally responsible manner and commit to the following:

- Implementing environmental management plans to monitor and manage impacts as a result of our operations.
- Tracking and reducing emissions and consumption.
- Promoting access to environmentally responsible methods and information across the organization.

3.1.1 HSE Awareness Trainings

To achieve one of the objectives of the MPRL E&P's commitment on environment, the HSE Department provides a series of awareness raising sessions for employees, partners (including MOGE) and communities.

3.1.2 Accessibility to safety cards promoting Concern, Action, Reinforcement, and Encouragement (CARE Cards)

We have a 'CARE' card program for motivating and rewarding MPRL E&P and subcontractors' personnel who respect working in a safe and environmentally responsible way. The program has succeeded in substantially improving HSE performances by letting employees rate the safe and unsafe actions of the workplace based on factors such as social impact, environmental impact, tools and equipment, healthcare, welfare and other health and environmental concerns. The 'CARE' card program has been





promoted and is applied at all sites/facilities managed by MPRL E&P. The tool can also be used to provide positive reinforcement where applicable and where positive behaviors or actions are observed.



CARE Cards
7,015
Received



HSE Audits and
inspections
2
Bi-annually



HSE Trainings
83
session conducted



Training Man-hours
4,675
Spent

Weight Management Campaign

This September, HSE Department of MPRL E&P introduced the 'Weight Management Campaign' for staff with the aim of preventing further weight gain, reducing body weight, maintaining a lower body weight over long term, and creating team-building activities as a follow-ups of 'Weight Management Campaign'. Staff come and join together during the weekends and after office hours to play games such as Football, Stand Up Paddling (SUP), and Zumba.





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3.1.3 Environmental Impact Assessments

An Environmental and Social Impact Assessment (ESIA) is the process of analyzing, monitoring and managing the intended and unintended social and environmental consequences of planned interventions. The process drives improvements to increase the value of programs and enable organizations to plan better, implement more effectively, and successfully bring initiatives to scale.

Environmental Management Plans (EMPs) and Environmental Action Plans (EAPs) have been developed to monitor and minimize environmental impacts associated with our projects. The plans provide mitigation measures required to minimize impact associated with project activities.

- Zero-discharge targets
- Fuel and energy consumption reduction
- Well-site abandonment
- Environmental Analysis and Monitoring Framework
- Environmental Incident Response Plan
- Waste Management Plan
- Spills Management Plan

3.1.4 Audits and Inspections

MPRL E&P is committed to demonstrating an appropriate and sincere respect for the environment, particularly for the prevention of any accidental loss of resources or assets likely to have an impact on the environment, employees and communities located in the areas where we operate.

Bi-annual environmental audits are regularly done to continuously improve Health, Safety, and Environmental (HSE) performance. In addition, we strive to embed a safety-first culture consistent with our fundamental goals.

We do monitor all operational practices are in compliance with prevailing national standard and laws.



- Zero Accidents
- No harm to people
- Minimal environmental impact

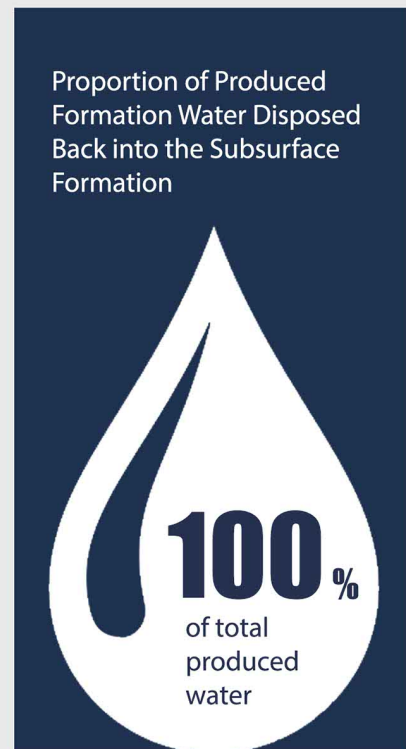




3.1.5 Produced Water Management of Mann Field-Reached ZERO DISCHARGE Achievement

A common by-product of mature oil fields such as Mann field is produced formation water that is commonly associated with oil production. Especially during late field life, managing large volumes of produced water becomes imperative and can have a significant impact towards the size of the 'environmental footprint' of an oil and gas asset. There are various approaches towards dealing with produced formation water that vary from treatment to disposal. At MPRL E&P, we focus on both with a goal to not only minimize our footprint, but to eliminate all produced water from being disposed of at the surface.

Our initiative first involves treating produced formation water to ensure that the water's qualities and properties do not vary from those of the original formation water before mixing with hydrocarbons. During this process, careful produced water disposal wells are also identified and selected through process that assesses the well's integrity as well as its ability to handle injection. At the end of the process, through an approach of mechanical injection (pumps) or gravity drainage, all of the produced formation water in Mann field is reinjected back into the subsurface through these wells. As of August 2017, MPRL E&P is proud to indicate that we have achieved and maintained our zero discharge target for produced formation water.



Environmental Stewardship

Environmental Compliance Certificate (ECC)

Receiving the Environmental Compliance Certificate (ECC) for Mann Field project is concrete proof of our commitment in being a responsible and professional investor – it is worth noting here that Mann Field is the first-ever onshore oil field in Myanmar to undergo such stringent environmental procedures in an effort to comply with the law at the initiative of MPRL E&P. It will reinforce all the initiatives we have already carried out in environmental and social management areas at the field level, and contribute to MPRL E&P's desire to promote and practice transparency.

MPRL E&P will continue conducting its responsible business practices related to managing environ-





mental and social impact and creating shared-value for the host community in Mann Field in line with all applicable laws, regulations and principles as a leading oil and gas company in Myanmar.

The Environmental Management Plan and Environmental monitoring program in Mann Field are in place as per the Mann Field EIA report, and MPRL E&P has jointly managed Mann Field with MOGE for the Environmental Monitoring Process as per our commitment. Our partnership has strengthened over time, fostering knowledge, skill development and creativity. Together we understand the impact of our operations and have dedicated our time to repair and refurbish all operation sites to minimize any harmful impact towards the environment and our surrounding communities.

3.1.6 Trash Hero Minbu

Mann Oil Field, which is located outside of Municipal Area was facing the challenges of proper waste management until Trash Hero activity had begun. The local communities used to throw garbage and waste nearby places and the garbage pile has incredibly grown in size. Though local community is facing the difficulties of the trash problems, they had no idea where to begin to solve the issue till there was Trash Hero Minbu Chapter was initiated by Trash Hero Myanmar for the very first time in September 2017.





During the very first Trash Hero Minbu activity in 2017, community volunteers assigned trash heroes from their respective villages who came together for Trash Hero Minbu event. After the trash hero Minbu activity, there have been a series of follow-up trash collecting activities bi-monthly initiated by Trash Heroes Minbu around 16 surrounding villages. Because of the regular trash collection in the community, the community is becoming aware of the problems triggered by the unsystematic disposal of wastes.

After a series of meetings and discussions for systematic waste disposal in Mann Field, which is outside of Minbu Municipal area, MPRL E&P's CSR and Communications Team organized the Community-led Trash Clean-up Activity in January 2019 – together with local communities from 8 villages, community volunteers and Trash Hero Minbu. This clean-up event, organized by MPRL E&P CSR Program, yielded a massive trash haul of roughly 465 tons, using a backhoe loader, a bulldozer, 3 dump/tipper trucks, and a cargo tricycle. 262 tons of waste were transported to the landfill in Minbu, and 203 tons of waste had been transported to the landfill near Nan U and Auk Kyaung villages. A cargo tricycle is now available in the one-village-a-day schedule for garbage collection, and communities can properly dispose of their waste. We hope the communities learn the importance of disposing waste responsibly and take care of their environment.



Monthly collected waste is measured and recorded for monitoring purposes. Moreover, the Field Team of MPRL E&P's CSR department and community volunteers facilitated the bi-monthly trash collecting activities, too.





Trash Hero Minbu Joined Trash Hero Family Meeting



In May 2019, Trash Hero Myanmar held Trash Hero Family Meeting including all Trash Hero Chapters from all around Myanmar. During the get-together, 10 Trash Hero Chapters around Myanmar came to the family meeting and discussed and shared experiences and planning for the future. Goals and objectives were set to create cleaner, healthier and greener earth without trash.

Two representatives from Trash Hero Minbu Chapter also participated in the Trash Hero Family Meeting and shared their experiences, challenges and achievements.

In the month of October, third time Trash Hero Family Meeting was held at Ngapali beach and 7 Trash Hero Chapters including Trash Hero Myanmar and World attended the meeting and the representative for Trash Hero Minbu Chapter presented the trash hero activities during the whole year.

Clean Village Campaign

As one of the initiatives of the community-led waste management program, MPRL E&P held 'Clean Village Campaign' in 8 communities in Mann Field. The Minbu Township Administrator and officials from Department of Rural Development and Township Development Committee made an assessment to award the cleanest village with a prize of 500,000 Kyats, with the support of CSR Field team of MPRL E&P.

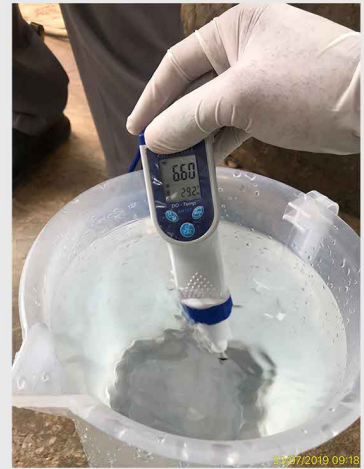




Environmental Audits and Inspections

Bi-annual environmental audits are regularly done to keep track of whether the business conforms to the environmental rules and regulations set by the Environmental Conservation Department (ECD).

This year, MPRL E&P also conducted environmental audits on the quality of water, air and soil and the officials from Environmental Compliance Department (ECD) joined the inspection.



3.1.7 Tree Plantation for Balancing Environment

MPRL E&P educates younger generations about the significant role of trees. This year, in the rainy season (August 2019), MPRL E&P's CSR and Communications Department along with the HSE Department, in coordination with MOGE in Mann Field and with the support of local communities organized tree plantations as part of an environmental awareness program in and around the schools in Mann Field.



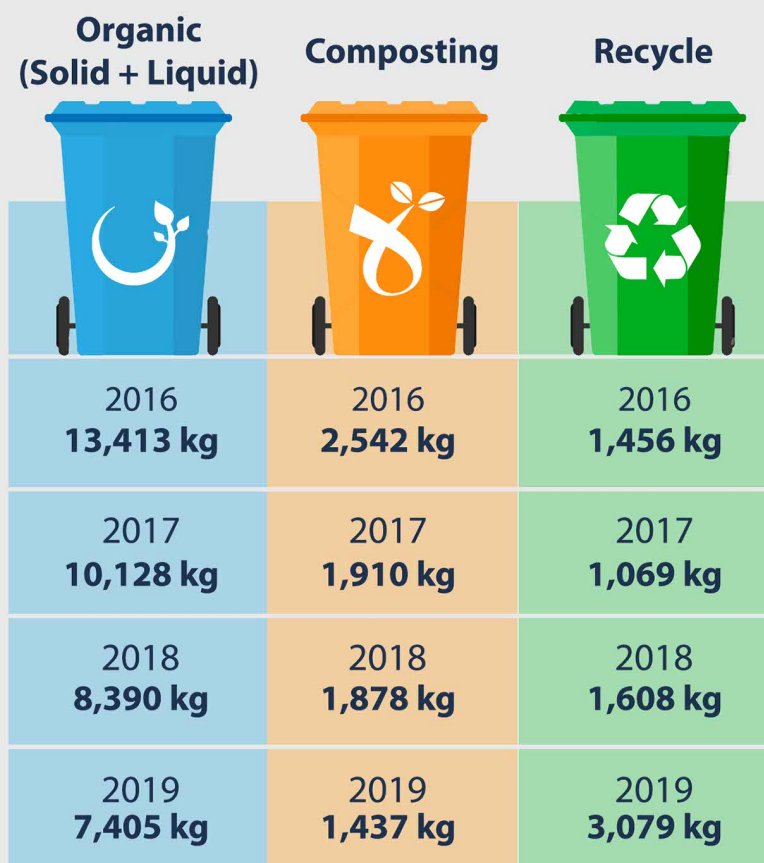


3.1.8 Anaerobic Composting System

MPRL E&P introduced an anaerobic composting system in 2015 with the purpose of keeping the system is to reuse the organic food wastes in tree plantation and support the kitchen in camp.

Steps for Anaerobic Composting System

- Organic waste is dumped to the categorized waste bins, which are big enough to keep moisture and heat.
- The mixture of organic materials (bacteria, fungi, insects, food wastes and leaves) will decompose in the compost pile.
- Within a few weeks, the final product of compost and crumbly can be used for planation as organic fertilizers in the camp compound.





4. Anti-Corruption

United Nations Global Compact Principle 10

Businesses should work against corruption in all its forms, including extortion and bribery.



4.0 Our Anti-Bribery and Corruption Policy

MPRL E&P is committed to conducting business in accordance with all applicable laws, rules and regulations, and to the highest ethical standards.

We recognize that directors, employees and other personnel including, but not limited to, agents, contractors, consultants, and secondees who work on behalf of MPRL E&P can be subjected to corrupt behaviors that involve offers of, or requests for bribes, facilitation payments or grease payments.





To achieve this objective:

- MPRL E&P has a zero-tolerance approach to corruption, meaning the giving or receiving of bribes in any form either directly or by those who work on behalf of MPRL E&P is prohibited and will not be tolerated.
- MPRL E&P will not engage in corrupt business practices.
- MPRL E&P will, at a minimum, comply with all applicable laws, regulations and standards which include, but not be limited to, the Myanmar Anti-Corruption Law, the Tenth Principle of the UN Global Compact, and the UK Bribery Act all of which are applicable to MPRL E&P, our employees and other personnel.
- MPRL E&P is a member of the Myanmar Extractive Industries Transparency Initiative (MEITI) promoting improved governance in resource-rich countries by requiring verification and publication of company payments to, and government revenues from, oil, gas and mining.

Our anti-bribery and corruption policy is applicable to all MPRL E&P directors, employees, consultants, contractors, agents, advisors and other representatives working in operated assets and offices.

4.1 Our Management Framework and Approach

We provide trainings to MPRL E&P employees and contractors to better understand ethical practices against corruption and bribery.

Our Compliance Department is tasked with conducting due diligence to evaluate potential compliance risks to ensure that MPRL E&P only enters into business relationships with reputable and qualified individuals and firms. Our approach to work against corruption is providing awareness and refresher trainings for employees to keep in touch with current compliance policies, procedures and practices.





Compliance Awareness Training for Employees

Policy awareness trainings on Anti-corruption and Conflict of Interest were conducted this year for employees both in Yangon Head Office and Mann Field Operations Office to reflect our commitments to working against corruption and bribery.

Other policies such as Organizational Code of Conduct, Whistleblowing, Human Rights Statement, Diversity and Inclusion and Employee Grievance Policy are also uploaded onto the intranet web portal and website of MPRL E&P for the perusal of employees to raise awareness to reduce inequalities as per one of the Sustainable Development Goals (SDGs)-10.





4.1.2 Affiliations & Memberships

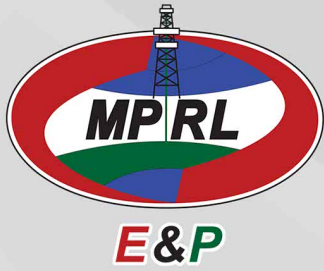
The Extractive Industries Transparency Initiative (EITI) is the global standard to promote the open and accountable management of oil, gas and mineral resources. As MPRL E&P is oil and gas exploration and production company, MPRL E&P is a member of the Myanmar Extractive Industries Transparency Initiative (EITI), which works to promote open and accountable management of natural resources in resource-rich countries like in Myanmar.

The representative from MPRL E&P always participate in the meetings, workshops, debates and Multi-Stakeholders Group (MSG) to stay tuned to the updates and progress of MEITI as one of the members.



Photo Source : MEITI





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